

Iowa State Income Tax Information

State Abbreviation: IA
State Tax Withholding State Code: 19
Acceptable Exemption Form: IA-W4 or W-4
Basis For Withholding: State Exemptions
Acceptable Exemption Data: 0 / Number of Allowances
TSP Deferred: Yes
Special Coding: Determine the Total Number Of Allowances field as follows:
First Position - Enter 0 (zero).
Second and Third Positions - Enter the number of allowances claimed.
Additional Information: None

Withholding Formula ►(Effective Pay Period 19, 2004)◄

1. Subtract the biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. ► Subtract the nontaxable biweekly Federal Health Benefits Plan payment from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.◄
4. Multiply the adjusted gross biweekly wages times 26 to obtain the gross annual wages.
5. Multiply the biweekly Federal income tax withholding by 26 to obtain the annual Federal income tax withholding and subtract this amount from the gross annual wages computed in step 4.
6. Determine the standard deduction by applying the following guideline and subtract this amount from the result of step 5 to compute the taxable income.

If the Number of Allowances Claimed Is:	The Standard Deduction Is:
0	\$ 1,500
1	1,500
2 or more	3,600

7. Apply the taxable income computed in step 6 to the following table to determine the Iowa tax withholding.

Tax Withholding Table						
If the Amount of Taxable Income Is:		The Amount of Iowa Tax Withholding Should Be:				
Over:	But Not Over:				Of Excess Over:	
\$ 0	\$ 1,100	\$ 0.00	plus	0.36%	\$ 0	
1,100	2,150	3.96	plus	0.72%	1,100	
2,150	4,300	11.52	plus	2.43%	2,150	
4,300	9,750	63.77	plus	4.86%	4,300	
9,750	16,250	328.64	plus	6.53%	9,750	
16,250	22,000	753.09	plus	6.98%	16,250	
22,000	33,000	1,154.44	plus	7.52%	22,000	
33,000	49,000	1,981.64	plus	8.42%	33,000	
49,000	and over	3,328.84	plus	8.98%	49,000	

- Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 7 to compute the annual Iowa tax withholding.

Exemption Allowance = ►\$40 x Number of Exemptions◄

- Divide the annual Iowa tax withholding by 26 and round to the nearest dollar to obtain the biweekly Iowa tax withholding.